1950. **File No.** 2154/48

B CLASS P.W **DEPARTMENT**

M **BRANCH**

Subject:— Industries (5)

State Aid to —

Rules 1935 relating to the grant of loan to small Industries

[K]-1950

File No. 2154/48 — M.B.

Sta. Sectt. Slip 24-A

2004—5,00,000—9-52—K2*
G.R., G.D., No. 2408, dated 22-6-22.]

Std. Sectt. 78 e.

Correspondence

DOCKET SHEET

Subject :—

File No. 2154/48

P. W DEPT.

M BRANCH.

References :— Main File sent to Maharastra

Date	To whom sent.	Notes and instructions.

For further orders
please see D.D.G. R.
No. 69 Dated 26-8-50.

State-aid to Industries Rules, 1935.

Amendments in the---

GOVERNMENT OF BOMBAY.
Development Department,
Resolution No. 69.
Bombay Castle, 6th January 1950.

RESOLUTION OF GOVERNMENT.

In partial modification of orders issued in Government Resolution, General Department, No. 4974, dated the 22nd June 1935, and subsequent amendments made from time to time, Government is pleased to authorise the Director of Fisheries to sanction loans to fishermen not exceeding Rs. 1,500 provide that the ~~aggregation~~ aggregate amount of such loans sanctioned by him during the course of one year does not exceed Rs. 75,000 subject to the provision made in the budget on that account and provided further that reports of the full details of each case and copies of mortgage deeds, etc., are submitted by him to Government soon after the loans are sanctioned. All loans granted to fishermen under State-Aid to Industries Rules, 1935, should be disbursed through the Mamlatdars concerned.

By order of the Governor of Bombay,

N.S. Pardasani,
Under Secretary to Government.

To

The Commissioners of Divisions,
The Director of Industries,
The Director of Fisheries,
All Collector of the Districts,
All Superintending Engineer of Circles,
All Executive Engineers of Divisions,
The Remembrance of Legal Affairs,
The Solicitor to Government.
The Accountant General, Bombay.
The Finance Department
The Revenue Department.
The Home Department,
The Public Works Department.

No of 1950
Copy forwarded for information and guidance to

For further orders
Please See DD.S.R.No.
69 dt. the 26-8-50.

State-aid to Industries Rules, 1935, Amendments in the ---

GOVERNMENT OF BOMBAY.
DEVELOPMENT DEPARTMENT.
RESOLUTION NO. 69.
Bombay Castle, 8th May 1950.

Government Resolution, Development Dept., No. 69, dated the 6th January 1950.

Letter No. F, 41(A)/21/40, dated the 2nd March 1950. from the Director of Fisheries, Bombay.

RESOLUTION.-- In amplification of orders issued in Government Resolution, Development Department, No. 69, dated the 6th Janury 1950, Government is pleased to authorize the Director of Fisheries to arrange for the payment of loans granted to fishermen under the State-Aid to Industries Rules, 1935, through the Director of Fisheries, Bombay, or the Superintendents of Fisheries, or the Mamlatdars or at the taluka sub-treasuries,

By order of the Governor of Bombay,

I.B.PATEL
Assistant Secretary to Government.

To

The Director of Fisheries.
The Director of Industries,
All Collectors of Districts,
All Superintending Engineers of Circles,
The Executive Engineers of Divisions.
The Remembrancer of Legal Affairs,
The Solicitor to Government.
The Accountant General, Bombay (through the F.D.)
The Finance Department.
The Revenue Department.
The Home Department.
The Public Works Department.

No. of 1950.

Copy forwarded for information and guidance to

Id/-
25-5-

State Aid to Industr
Rules,
Grant of loans to
fishermen. Insurance
fate of interest, et

GOVERNMENT OF BOMBAY.
DEVELOPMENT DEPARTMENT.
Resolution No. 69.
Bombay Castle, 21st July 1950.

Letter from the Director of Fisheries, Bombay, No. F. 41(a)/16688, dated 26th March 1949:--

"I have the honour to invite reference to Government letter, General Department, No. 5490/33-J, dated April 8, leaving the option to Fishermen to insure their boats, and nets to the extent of the amount of loans advanced and to letter No. 7994/24888-J, dated August 23, 1948, deleting the option and making insurance of assets compulsory.

"This system is not, however, viewed with favour by fishermen as they do not derive any benefit from it. Loans are generally granted to the extent of about 50 to 60 per cent. of the value of the assets. Thus, boats and nets worth about 2,000 and 1,000 rupees entitle an applicant to a loan of Rs. 1,000 and 500 only, for which amount they are insured. Assets are, accordingly, undervalu to the extent of about 50 per cent. for the purpose of insurance.

"According to the terms of insurance policies, the insurance companies are bound to make good only total loss, e.g. losses arising out of complete destruction of insured property at sea. The insurance companies do not grant any compensation for reparable damage. Thus, in actual practice insurance is not advantageous to the fishermen, as generally boats and nets are not totally lost but considerably damaged during storms or cyclones or accidents at sea. Such partial damage is not covered by insurance companies. Messrs. the New India Assurance Company Limited and the New Zealand Insurance Company Ltd. the two prominent institutions effecting marine insurance

in Bombay, were referred to on the subject. Both have declined to cover partial damages at sea.

"The insurance of the assests is, therefore, not beneficial to either Government or the fishermen. The sole beneficiertes are insurance companies who earn revenue from the premia paid. I, therefore,,suggest that the present condition of insurance of the assets may be waived when a loan is granted. Instead, the fishermen may be charged interest at the rate of 7½ per cent. per annum which will not weigh oppressively on them. as it works out to the same amount which they pay now (4 per cent. insurance premium and 3½ per cent. interest.) An advantage of this suggesti n is that in times of damage to boats and nets belonging to loanees, Government will consider fishermen's claims-- which they are already doing sympathetically. In fact insurance premium at 4 per cent. received fomm the fishermen may be costituted into a separate fund which could be reserved exclusively by Government for grant of aid to loanees in times of need. The creation certain of such a fund is possible as during the last three years Rs Rs.19,000 have been recovered from fishermen for insurance premimum, against which claims to the extent of Rs, 4,200 only could be entertained, Of this one was of Rs. 4,000 on account of total loss of nets and boats (on land) in a fire and the other of Rs, 200 on account of total loss of one net at sea."

RESOLUTION:- Government is pleased to direct that the condition of insurance should be waived in the case of loans not exceeding Rs. 5,000 granted to fishermen or their co-operative Societies under the State Aid to Industries Rules, 1935, qInsurance will be compulsory for loans above Rs. 5,000.

2. The rate of interest will be 3½ per cent. in cases where assets are insured and 7½ per cent. in cases where they de- are not so insured. Out of the 7½ per cent. interest received in the latter cases, 4 per cent, should be credited to a separate Fund tto be called "Fishermen's

"Fishermen's Relief Fund". The Fund should be utilised in the following manner:-

(i). If any loan is required to be written off due to loss of assets at sea, the loan should be repaid to Govt. from the Fund.

(ii). The balance remaining in the Fund should be utilised for granting relief to fishermen, who have suffered loss at sea, according to the merits of the cases.

3. These orders should be in force for a period of two years at the end of which the position should be reviewed.

By order of the Governor of Bombay,

I.B.PATEL,
Assistant Secretary to Government.

To

The Director of Fisheries,
The Director of Industries,
All Collectors.
The Executive Engineers,
The Superintending Engineers of Circles.
The Chief Engineer to Government,
The Accountant General, Bombay (Through the F.D.)
All Departments of the Secretariat (except the Separate Deptt)
The Remembrancer of Legal Affairs,
The Solicitor to Government.

P.W.D. No. of 1950.

Copy forwarded for information and guidance to.

State-Aid to Industries Rules, 1935, Amendments in the ---

GOVERNMENT OF BOMBAY.
DEVELOPMENT DEPARTMENT.
Resolution No. 69.

Mercantile Bank Building, Mahatma Gandhi Road.
Bombay No. 1. dated the 26th August 1950.

Government Resolution, Development Department, No.69, dated 6th January 1950, and 8th May 1950.

RESOLUTION:- Government is pleased to amend partially rule 10 of the State-Aid to Industries Rules, 1935, as under:-

"Loans granted to fishermen or their Co-operative Societies under these rules shall bear simple interest at 3½ or 7½ pere cent. per annum according as the mortgaged property is ~~insured~~ insured or otherwise, The interest will be calculated at the aforesaid rate on diminishing balances from the date of disbursement of the loan and will be payable not later than a month from the date of payment of the last instalment on account of principal. The condition of insurance will be ~~not~~ waived in case of loans not exceeding Rs. 5,000. Insurance will be compulsory for loans above Rs. 5,000."

By order of the Governor of Bombay.

I.B.PATEL,
Assistant Secretary to Government.

To

The Director of Fisheries, Bombay.
The Director of Industries, Bombay.
All Collectors of Districts,
The Executive Engineers of Divisions,
The Superintending Engineers of Circles,
The Remembrancer of Legal Affairs,
The Solicitor to Government,
The Accountant General, Bombay (through the F.D.)
The Finance Department.
The Revenue Department.
The Home Department.
The Public Works Department,

No. of 1950.

Copy forwarded form information and guidance to.

Id/-